



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Juan N. Babauta

Governor

Diego T. Benavente

Lieutenant Governor

Marlene H. Dortch, Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, SW, Room TW-A325
Washington, DC 20554

Dear Secretary Dortch:

This letter is in response to the Federal Communication Commission's (FCC) Further Notice of Proposed Rulemaking, (NPRM) Docket No. 02-60CC, regarding the Rural Health Care Support Mechanism. Comments are being sought on whether the FCC should increase the percentage discount that rural health care providers receive for internet access, whether infrastructure development should be funded, and whether its rules should be modified to allow mobile rural health care providers to use services other than satellite. These comments are submitted on behalf of the Office of the Governor of the Commonwealth of the Northern Mariana Islands and the Commonwealth's Department of Public Health (DPH).

As a threshold matter, the Commonwealth of the Northern Mariana Islands and DPH wish to thank the FCC for finding a creative way to allow the health care providers in the insular areas, such as the Commonwealth, to receive discounts and reimbursement for advanced telecommunications services. We are especially thankful since the Commonwealth and its people are contributing funds to the Universal Service Program and this provision creates an opportunity for us to participate in and benefit from the Rural Health Care Program.

Because the FCC decided to provide fifty percent support for advanced telecommunications services for health care providers in entities considered states without urban areas, like the Commonwealth, the health care providers and educators in the Commonwealth will hopefully soon receive support from the Universal Service Fund for the first time. This change will greatly aid our people. It will allow our health care providers to offer new services while alleviating budget issues for those providers to some degree. We greatly appreciate the changes the FCC has already made and believe that they will make a significant difference in our islands, as the FCC intended.

We submit these comments, however, because we do not believe that the FCC has gone far enough with its changes. Specifically, we believe that the FCC should increase the percentage

discount that rural health care providers receive for internet access and it should fund infrastructure development.

I. The FCC Should Increase The Percentage Discount For Internet Access.

We respectfully request that the FCC increase the percentage discount for internet access or for advanced telecommunications services for health care providers in states without urban areas to the same level of support provided under the e-rate program (up to ninety percent).

DPH currently pays approximately \$42,107.52 dollars annually for dial-up and broadband internet services. The services purchased include internet accounts, dial-up services and high-speed DSL, and T1 line connections. DPH struggles to make even these payments because of significant budget issues.

Increasing the discount will not only aid DPH with its budget issues, but it will also allow it to purchase more services and offer better, more cost-effective care to its patients -- fulfilling the purpose of this program. Specifically, DPH cannot purchase the internet services that it desperately needs either with the current twenty five percent for internet or the fifty percent for advanced telecommunications services. This situation would change if it received the same support provided under the e-rate program to schools.

Because of the e-rate program, the Commonwealth's Public School System (PSS) is able to lease private line service between Saipan, Tinian, and Rota (the three populated islands in the Commonwealth) and the Commonwealth and Hawaii. It leases T1 lines over the only fiber optic cable connecting the islands. Because of the monopoly ownership and despite the short distances between the islands, this service costs approximately \$80,000 per year. PSS also leases a T1 line from Saipan to Hawaii and one within the island of Rota. The total, pre-discount cost of these four leases is approximately \$275,000 annually. PSS can afford these leases because it receives a ninety percent discount under the e-rate program.

DPH already has numerous budget issues. Some issues are caused by the geographic isolation of the islands and because the population is not large enough to support a large medical industry. (Approximately 70,000 people live in the Commonwealth. It is located approximately 1200 miles from Tokyo, 1480 miles from Manila, 1800 miles from Shanghai, 3300 miles from Honolulu, and 5400 miles from San Francisco.) As a result, many of its patients must be sent to Hawaii, Guam, California, or elsewhere for treatment because the islands lack specialists. And patients on Tinian and Rota often must travel to Saipan for treatment. This travel is costly for the government, the hospital facilities, and the patients.

Some of these travel costs could be avoided if DPH could connect the Commonwealth's doctors and patients through videoconferencing with doctors and specialists elsewhere. The current rates for the connectivity necessary for these services -- even with the discounts -- do not, however, allow it to do so. If the discounts were increased to the same levels offered under the e-rate program in the schools, this situation would change.

The FCC is understandably concerned about exhausting the fund with an increase in the discount for internet services. We recommend that the FCC avoid this problem by implementing the same type of graduated discount program as it has created for the e-rate program, where the range is twenty to ninety percent based on the poverty level of the jurisdiction. Such a graduated program could be used to help the jurisdictions that need the most assistance while preventing the exhaustion of the fund.

Alternatively, the FCC could set a ninety percent discount for states without urban areas, such as the Commonwealth. After all, the FCC has already recognized that these entities are in dire need of assistance and have been historically underserved by this program.

Although, the amounts involved for the Commonwealth and DPH do not seem significant, they are for the Commonwealth. Only if the FCC increases the funding rate for internet services from twenty-five percent or for advanced telecommunications services from fifty percent can DPH afford to offer the services that are becoming standard throughout the United States.

II. Infrastructure Development Should Be Funded.

The telecommunications infrastructure in the Commonwealth is lacking, especially on the smaller islands, Rota and Tinian. Such infrastructure can be expensive for the local government to install and/or build, especially because of the isolation of the islands.

If the FCC provided such funding through the Universal Service Fund, it would provide immediate benefits to the people of the Commonwealth. Infrastructure that is lacking within health facilities are also lacking in terms of fiber network connections between the Commonwealth Health Center (CHC) -- the Commonwealth's one hospital -- and its four outlying clinics, all of which are located on Saipan. (The clinics are located in the villages of Tanapag, San Roque, San Antonio, and one will soon be opened in Kagman. These villages are in the outermost parts of Saipan whereas CHC is located closer to the center of Saipan). This is one of the first issues DPH will try to address if the FCC allows infrastructure funding.

DPH may also be able to fund other important infrastructure projects that are not possible unless the FCC allows for such funding. For instance, it may be possible for the DPH to connect its facilities on Saipan with those on Rota and Tinian by installing straight-run fiber network connections. Notably, if the Universal Service Fund provided infrastructure assistance, DPH could install such infrastructure and potentially save the cost of monthly leases. In other words, offering infrastructure assistance could lower the impact in some cases of increasing the discounts.

DPH could also use infrastructure to assist with medical care in the Commonwealth's northern islands. Specifically, there are several, sparsely inhabited islands north of Saipan that are spread over two hundred miles of ocean. Currently, the only communication between individuals on these islands and DPH is via short-wave/ham radio, which is highly dependent on clear weather and is often an unreliable form of communications.


When individuals on the northern islands are sick or injured, doctors on Saipan have a difficult time assessing the patient through radio communications and subsequently request that the patient be evacuated to Saipan via helicopter. This can be very costly at a price of \$10,000 per transport from the farthest island of Agrigan where approximately twenty islanders reside permanently.

DPH would like to explore means of communication other than short-wave/ham radio, such as repeater stations for cellular phones or satellite communications. However, both of these methods will inevitably involve significant investment in infrastructure like earth stations and repeater antennas. Satellite and cellular communication can also provide the connection speed for video images either through equipped cell phones or workstations. These communication modalities can greatly assist physicians in providing care to patients and perhaps avoid the need for expensive medical evacuations. Infrastructure funding could be used for this purpose.

Again, the needs of the Commonwealth and DPH are many and are beyond the financial means of the Commonwealth to fix. If the FCC allows the Universal Service Fund to provide funds to address these needs, it will not diminish the fund in any material way. It will, however, provide immediate and significant benefits to the Commonwealth and its people.

Thank you for providing this opportunity for comments and we look forward to your favorable consideration.

Best regards,



JUAN N. BABAUTA
Governor



PETE UNTALAN
Acting Secretary of Public Health